
RECORD OF PROCEEDINGS

Minutes of the Joint Special Meeting Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2 February 14, 2017

A Joint Special Meeting of the Boards of Directors of the Cornerstone Metropolitan Districts Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held at 11:00 a.m. Monday, February 14, 2017 at the Ache Residence, 929 Courthouse Peak Lane, Montrose, Montrose County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance

The following Directors were present and acting:

- Warren Ache - District No. 1 and No. 2
- Bill Fugazzi - District No. 1 and No. 2 (via phone)
- Marijo Ache - District No. 1 and No. 2
- Pam Fugazzi - District No. 1 and No. 2 (via phone)
- David Coker - District No. 1 and No. 2

Also in attendance were:

- Clint Waldron, White Bear Ankele Tanaka & Waldron (via phone)
- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales, Marchetti & Weaver, LLC (via phone)

Call to Order

The Joint Special Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Director Ache on February 14, 2017 at 11:00 a.m. noting a quorum was present.

Combined Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of both Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Disclosure Matters

The Directors reviewed the agenda for the meeting, following which each Director confirmed the contents of any written disclosure previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Each director also confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The Boards noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts. Additionally, the Boards determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Boards to act.

Public Comment

No public comment was offered.

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 February 14, 2017 Meeting Minutes

- Agenda** No changes were made to the agenda.
- Minutes** Upon motion duly made and seconded it was unanimously
RESOLVED, to approve the minutes for the meeting held January 23, 2017 as submitted.
- Legal Matters**
- Executive Session** Upon motion duly made and seconded, it was unanimously
RESOLVED, to enter into Executive Session pursuant to C.R.S. §24-6-402(4)(a), for the purposes of discussing the purchase and sale agreement for real property and C.R.S. § 24-6-402(4)(e)(I), for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators regarding the same.
- The Board then returned from executive session.
- The Board then discussed the proposed Lease Agreement. Following discussion and upon motion duly made and seconded it was unanimously,
RESOLVED, to authorized Director Fugazzi to present the proposed Lease Agreement, modified to include an exhibit describing the lease property, to the prospective buyer.
- Operations** Director Fugazzi informed the Board that the prospective buyer has expressed their desire to convert back from a non-potable water system to a potable water system. Director Ache informed the board that Dan Bartashius has contacts with the State he can use regarding converting the water system. Director Ache then expressed his feelings that when it is time to convert, the District should engage a consultant with experience in dealing with potable water systems. Mr. Weaver informed the Board of another District's experience with potable water systems. No action was taken by the Board.
- Financial** Mr. Weaver presented the Accounts Payable Report and upon motion duly made and seconded it was unanimously,

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 February 14, 2017 Meeting Minutes

RESOLVED, to approve the Accounts Payable Report as presented.

Next Meeting The next meeting of the Boards of Directors is scheduled for 10:00 a.m. Monday February 27, 2017 at 929 Courthouse Peak Lane, Montrose, CO 81403, the Ache residence.

Adjournment There being no further business to come before the Boards and upon motion duly made and seconded it was unanimously

RESOLVED, to adjourn the meeting.

Respectfully Submitted

Rick Gonzales
Secretary to the meeting